THE HON'BLE SRI JUSTICE L.NARASIMHA REDDY

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WRIT PETITION No.2828 of 2007

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Date: 02.03.2007

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Between:

Industrial Detective Security Force
And House Keeping Agency.

....Petitioner

and

The Government Dental College and Hospital & another.

....Respondents

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O R D E R:

The petitioner is an agency undertaking the work of supplying manpower for security, sanitation and house keeping to different organisations. It was initially awarded the contract of supplying the manpower to the Government Dental College and Hospital at Vijayawada in the year 1997. Though the contract was to be in force for one year, it was extended from time to time.

The first respondent issued a tender notification on 15.01.2007 inviting tenders for the same work. The petitioner, the second respondent and certain others submitted their tenders. They were opened on 24.01.2007. It emerged that the petitioner and the second respondent quoted the same rates and they were the lowest. On consideration of the same, the first respondent awarded the contract in favour of the second respondent. The petitioner challenges the action of the first respondent.

The first respondent filed a counter-affidavit. It is admitted that the rates quoted by the petitioner and the second respondent are same and on a relative assessment of the applications, it was found that there were some defects in the application of the petitioner. It is also alleged that during the year 2006, the employees engaged by the petitioner have resorted to strike and caused disturbance in the Hospital.

Sri M.L.Ali, the learned counsel for the petitioner submits that his client had been functioning as an agency with the first

respondent for the past almost ten years, without any complaints and when the rates quoted by it were the same as that of the second respondent, preference ought to have been given to the petitioner. The learned counsel submits that the action of the respondents in trying to discontinue the petitioner without one-month notice is also improper.

The learned Government Pleader for Medical and Health, on the other hand, submits that it is always prerogative of the tendering agency to select the tenderer of its choice. He contends that the representative of the petitioner was present when the tenders were opened, did not raise any objection for award of the contract in favour of the second respondent, and on the other hand had approved of it.

The petitioner has been functioning as an agency to supply manpower to the first respondent for the past ten years. Though the contract was for one year, the tenders could not be invited for one reason or the other. It was only in the month of January, the process was initiated. The petitioner, the second respondent and several others participated in the tenders. It may be true that the offer rates quoted by the petitioner and the second respondent are one and the same. When the first respondent has the liberty even to reject a lowest tender, for the reasons to be recorded, the fact that one of the lowest tenderers was awarded the contract cannot lead to an inference that any illegality has taken place. Though certain defects were pointed out in the tender of the petitioner, that reason cannot be accepted. The reason is that once a tender is opened, it is deemed to have been proper in all respects. One reason, which weighs with this Court, is that the first respondent has taken the experience of the petitioner on the one hand and second respondent on the other in the matter of supplying the

manpower. The first respondent had the experience with the petitioner and in the recent past, some disturbance took place with the participation of the employees provided by the petitioner. At any rate, continuance working for a period of ten years would lead to situations where the persons are prone to develop vested interest. The representative of the petitioner is said to have acknowledged the award of contract with the second respondent. This Court does not find any basis to interfere with the award of contract in favour of the second respondent.

By placing reliance upon Clause 10 of the letter, dated 26.071999, issued by the first respondent, the learned counsel for the petitioner submits that at least one month time ought to have been given to the petitioner for discontinuing the supply of manpower. The notice is said to have been served on 09.02.2007. Having regard to the facts and circumstances of the case, the petitioner is granted time till 15.03.2007 to discontinue the supply of manpower.

The writ petition is accordingly disposed of. There shall be no order as to costs.

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02.03.2007

kdl